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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/045,518 03/20/98 VAN LUCHENE

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EXAMINER

MYHRE, J

ART UNIT

PAPER NUMBER

2162

DATE MAILED:

07/02/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

# Office Action Summary

Application No.  
**09/045,518**

Applicant(s)  
**Van Luchene**

Examiner  
**James Myhre**

Art Unit  
**2162**



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on Dec 8, 2000
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-30 is/are pending in the application.
- 4a) Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-30 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- a) ☐ All b) ☐ Some\* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

## Attachment(s)

- 15) ☒ Notice of References Cited (PTO-892) 18) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 19) ☐ Notice of Informal Patent Application (PTO-152)
- 17) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). \_\_\_\_\_ 20) ☐ Other:

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## **DETAILED ACTION**

### ***Request for Continued Examination***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on May 16, 2001 has been entered.

### ***Response to Amendment***

2. The amendment filed on May 16, 2001 has been considered but is ineffective to overcome the Phillip Fiorini reference.

### ***Double Patenting***

3. In view of the arguments presented by the Applicant in the amendment filed on May 16, 2001, the Examiner hereby withdraws the double patenting objection in paragraph 4 of paper number 11. However, the Examiner notes that the use of "an exchange" in Claim 25 would indicate to one having ordinary skill in the art at the time the invention was made that one user receives the two items at substantially the same time as the other user receives the purchase price. In order to cover one user receiving the two items while the other user does not receive the

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purchase price, but only an indication of some future receipt of the purchase price (as per Applicant's "account receivable" example), the Examiner suggests the last line in Claim 25 be changed to either read "receiving the at least one item and the first item for the rounded purchase price" or "allowing receipt of the at least one item and the first item for the rounded purchase price". Both of these examples disclose receiving the two items for the rounded purchase price, but do not disclose also receiving the rounded purchase price as inferred by the word "exchange".

***Claim Rejections - 35 USC § 101***

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1-24 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

In response to the Applicant's arguments against the previous rejection of Claims 1-24 under 35 U.S.C. 101, the Examiner again reviewed the claims and consulted with the "101 Panel" in reference to the recent interpretations of statutory material. The panel agreed with the Examiner's conclusion that although the rounded purchase price is tangible and may possibly be useful, the purchase price is not tied to anything concrete and no intended use for it is indicated in the claims. Thus, it does not meet the three criteria for statutory material and is deemed to be an

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abstract idea. Therefore, the Examiner has maintained the previous rejection, which is recited again below for the Applicant's convenience.

Claims 1- 24 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 1, 3, 5, and 7-15 recite a series of steps and are considered for the purpose of analysis under 35 U.S.C. 101 as reciting a series of steps. Claims 2, 4, 6, and 16-24 recite an apparatus (programmed computer) which performs the steps of the method claims above. There is no disclosure within the specification that the apparatus itself is a specific machine, but merely a general purpose computer that is programmed to perform the steps of the method claims. Therefore, Claims 2, 4, 6, and 16-24 are analyzed based on the series of steps being performed. Further, the claims do not recite and pre- or post-computer activity but merely perform a series of steps of receiving data and manipulating the data, and is directed to non-statutory subject matter. A process is statutory if it requires physical acts to be performed outside of the computer independent of and following the steps performed by a programmed computer, where those acts involve the manipulation of tangible physical objects and result in the object having a different physical attribute or structure (*Diamond v. Diehr*, 450 U.S. at 187,209 USPQ at 8). Further, the claims merely manipulate an abstract idea or perform a purely mathematical algorithm (adding and rounding) without limitation to any practical application. A process which merely manipulates an abstract idea or performs a purely mathematical algorithm is non-statutory despite the fact that it might have some inherent usefulness (*Sakar*, 558 F.2d at 1335,200 USPQ at 139).

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***Claim Rejections - 35 USC § 112***

6. The amendment filed on May 16, 2001 removed all goals and intended use of the invention from the preambles of claims 1-24, thus rendering mute the previous rejection in paragraph 8 of paper number 11 of these claims under 35 U.S.C. 112, second paragraph. Therefore, the Examiner hereby withdraws this rejection.

***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Phillip Fiorini ("No Place for a Penny") in view of Eleftheriou (5,869,826).

Claims 1-6: Fiorini discloses several businesses, such as Kroger and Winn-Dixie supermarkets (page 1) and Christie's Cafe (page 2) which have been rounding off purchase prices. In these examples, the rounding code is inferred to be to the closest nickel (a rounding multiplier of 5 cents), and the purchase price is then rounded to eliminate the requirement for pennies. Furthermore, as shown in the Examiner's Affidavit which accompanied paper number 11, the Examiner had first-hand experience with rounding the purchase price to eliminate receiving change in late 1950's and early 1960's at the local grocery store. As an example, if, when I

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purchased a soft drink (15 cents) and a chocolate bar (7 cents) for a total of 22 cents, I only had a quarter (25 cents), the grocer would offer one or more supplemental products (normally candy) in lieu of the 3 cents change due. This is not an isolated example. Many retail establishments offer the customer sticks of gum, etc. in order to round off the purchase price and to eliminate the need to handle small change. Additionally, it is common when purchasing large items, such as automobiles and houses, to round off the final purchase price to the nearest \$10, \$20, \$100, or even \$1,000. While Fiorini does not explicitly disclose that the rounding code is being selected from a plurality of rounding codes, Eleftheriou discloses a similar method for rounding purchase prices which also discloses that the rounding code could be a nickel, dime, quarter, one dollar, etc. (col 8, lines 24-38). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that the merchant in Fiorini must choose the desired rounding code from the whole range of possible rounding codes which ranges from one cent to infinity. It would have also been obvious that the merchant would choose a rounding code that corresponded to the most commonly used denomination of currency, such as a nickel, dime, quarter, one dollar, five dollars, ten dollars, twenty dollars, or some multiple of each. One would have been motivated to choose different rounding codes for different items/purchases in order to provide a more logical rounded price as discussed in paragraph 11c in paper number 11.

Claims 7-24: Fiorini and Eleftheriou disclose rounding off purchase prices using rounding codes and multipliers as described in Claims 1-6 above, but do not explicitly disclose that the rounding code is also associated with a fixed price. Official Notice is taken that it is old and well

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known within the retail arts to set a fixed price for each product, supplemental or otherwise, and to associate the fixed price and rounding code (multiplier). In support of this Official Notice, the Examiner notes that Eleftheriou discloses that the salesperson enters the total dollar cost of the goods (col 7, lines 12-14); thus, inferring that a fixed price is associated with each of the goods. In further support, the Examiner notes that the Applicant states on page 3 of the specification that “the upsell price is not fixed like most conventional prices for items”, thus admitting that most goods have fixed prices. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that when more than one product is selected by the customer to add the fixed prices together and then to select one rounding code to use to round the purchase price. One would have been motivated to do this in order to prevent unnecessary calculations by the system. For instance, if three items had fixed prices of \$14.50, \$7.50, and \$1.75 and rounding multipliers (codes) of \$10, \$5, and \$1, respectively, the total of the fixed prices would be \$23.75. If the \$10 rounding multiplier was applied, the adjusted price would be \$30.00. If the \$5 rounding multiplier was applied, the adjusted price would be \$25.00. Finally, if the \$1 rounding multiplier was applied, the adjusted price would be \$24.00. However, once the price had been rounded to \$30.00 by the \$10 rounding code, the other two rounding factors would not adjust the purchase price since \$30 is a factor of both \$5 and \$10. Thus, these calculations would be unnecessary.

Claims 25-27: Fiorini discloses several businesses, such as Kroger and Winn-Dixie supermarkets (page 1) and Christie’s Cafe (page 2) which have been rounding off purchase prices.





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In these examples, the rounding code is inferred to be to the closest nickel (a rounding multiplier of 5 cents), and the purchase price is then rounded to eliminate the requirement for pennies, as discussed in reference to Claims 1-6 above. While Fiorini does not explicitly disclose providing an item not included the original purchase price in addition to the item(s) originally being purchased in exchange for the rounded purchase price, it is old and well known within the retail arts to do so, as per the Examiner's Affidavit. The feature of selecting a rounding multiplier based in the rounding code received has been discussed in conjunction with the Eleftheriou reference in Claims 7-24 above.

Claims 28-30: Fiorini discloses rounding off purchase prices using rounding codes and multipliers as described in Claims 1-6 above, but does not disclose using a bar code scanner to input information about the item. Eleftheriou discloses a similar method for rounding purchase prices which includes a bar code scanner for inputting information about the items (col 5, lines 61-64). Eleftheriou also discloses rounding the price based upon an integer selected from a plurality of integers in which at least one of the integers is 1 (col 8, lines 24-38). Eleftheriou discloses that the the price is rounded up or down to the nearest whole dollar (i.e. an integer of 100) or to whole quarters, dimes, nickels, pennies, etc. (i.e. an integer of 25, 10, 5, 1, etc.). The disclosure that the price can be rounded up infers that the price is rounded to the lowest multiple of the integer that is greater than the price. In other words, if the price is \$3.98 and the rounding code is one dollar, the price would be rounded up to \$4.00, not \$5.00 or \$6.00. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use a

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bar code scanner to input information about the items in Fiorini and to round the price up to the nearest multiple of the integer selected from the plurality of possible rounding integers. One would have been motivated to use a bar code scanner and to round the prices up to the nearest multiple of the integer in view of the wide spread use and availability of bar code scanners at points of sale and in view of the normal meaning of rounding up in the commerce arts.

*Response to Arguments*

9. Applicant's arguments filed May 16, 2001 have been fully considered but they are not persuasive.

a. Applicant argues against the double patenting rejection of Claims 25 and 26. This rejection has been withdrawn in paragraph 3 above. However, the reason for withdrawal is not for the reasons presented by the Applicant. Upon further review of the two claims, the Examiner noted that Claim 26 actually exchanges the items for the receipt of the purchase price, whereas Claim 25 only allows the transaction to continue and does not actually transfer the possession of the items nor the purchase price. Thus, one claim completes the transaction, and the other claim only authorizes the transaction. Therefore, the two claims differ in scope.

b. Applicant argues against the 35 U.S.C. 101 rejection of Claims 1-24. This argument has been discussed in paragraph 5 above.

c. Applicant argues against the 35 U.S.C. 112, second paragraph, rejection of Claim 1-24. This rejection has been withdrawn in paragraph 6 above.

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d. Applicant's arguments with respect to the 35 U.S.C. 103 rejection of Claims 1-24 have been considered but are moot in view of the new ground(s) of rejection.

e. Applicant argues against the Official Notice taken in reference to Claims 7-24. The Examiner has provided additional support for the well known features in the rejection of these claims in paragraph 8 above, to include Applicant's own disclosure that this is the conventional pricing method for most items.

### ***Conclusion***

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. Pappas (3,637,999) discloses an analog device for automatically computing a rounded purchase price. The reference also discloses that each item has a fixed unit price, thus adding further support to the Official Notice taken above.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:30 a.m. to 3:30 p.m.

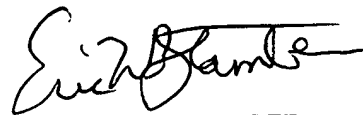
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 2100 is (703) 308-9051 or 9052. Draft or Informal faxes for this Art Unit can be submitted to (703) 305-0040.

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Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-3900.



June 27, 2001



ERIC W. STAMBER  
PRIMARY EXAMINER